



Agenda
Rancho Palos Verdes Solid Waste Subcommittee
April 25, 2018
City Hall, 30940 Hawthorne Boulevard
Community Room, 8:00 AM

CALL TO ORDER:

ROLL CALL:

FLAG SALUTE:

APPROVAL OF AGENDA:

INTRODUCTIONS:

PUBLIC COMMENTS:

This section of the agenda is for audience comments for items **not** on the agenda.

NEW BUSINESS:

1. APPROVAL OF MINUTES

Recommendation: Accepting May 15, 2017 Solid Waste Subcommittee Meeting minutes into the record as to form.*

2. CONSIDER EDCO DISPOSAL CORPORATION'S RESIDENTIAL SOLID WASTE AND RECYCLING RATE INCREASE REQUEST FOR FY 18-19

Recommendation: Review and recommend to City Council approval of EDCO's Residential Solid Waste and Recycling rate increase request of 4.12% for FY18-19

ADJOURNMENT

**Subcommittee members in attendance at the May 15, 2017 are no longer subcommittee members at the time these minutes are asked to be approved on April 25, 2018.*

American with Disabilities Act: In compliance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the City Clerk's Office at 310 544-5208 at least 48 hours prior to the meeting.

Note: Staff reports are available for inspection at City Hall, 30940 Hawthorne Boulevard during regular business hours 7:30 A.M. to 5:30 P.M. Monday- Thursday and 7:30 A.M. to 4:30 P.M. on Friday.

Materials related to an item on this agenda submitted to the Solid Waste Subcommittee after distribution of the agenda packet are available for public inspection at the front counter of the lobby on the City Hall Administration Building/Public Works at 30940 Hawthorne Boulevard, Rancho Palos Verdes during normal business hours.

Written materials, including emails, submitted to the City are public records and may be posted on the City's website. Accordingly, you may wish to omit personal information from your oral presentation or written materials as it may become part of the public record regarding an agenda item.

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<http://www.rpvca.gov/772/City-Meeting-Video-and-Agendas>

**Draft Minutes
Rancho Palos Verdes Solid Waste Subcommittee
May 15, 2017**

The meeting was called to order at 4:01 p.m., by Councilman Misetich at City Hall, 30940 Hawthorne Boulevard, Community Room.

The Solid Waste Subcommittee roll call was answered as follows:

PRESENT: Councilwoman Brooks and Councilman Misetich.

Also present were: Terry Rodrigue, Interim Director of Public Works; Lauren Ramezani, Senior Administrative Analyst and Recording Secretary, Public Works; Steve South, EDCO CEO/President, Efrain Ramirez, EDCO V.P., Alan Walsh, EDCO CFO, Jeff Ritchie, EDCO COO, Dave Davis, Principal at MSW Consultants.

FLAG SALUTE:

The Flag Salute was led by Senior Analyst Ramezani.

APPROVAL OF AGENDA:

Councilwoman Brooks moved to approve the agenda, seconded by Councilman Misetich.

INTRODUCTIONS:

EDCO and MSW Consultants representatives were introduced to Councilmembers.

PUBLIC COMMENTS: (Audience Comments regarding Items not on the agenda)

None.

NEW BUSINESS:

1. Approval of Minutes

Councilman Misetich commented that neither he nor Councilwoman Brooks were at the 2015 subcommittee meeting. Secretary Ramezani responded that the City Clerk advised that the minutes be accepted into the record as to form. Councilwoman Brooks recommended that similar to the City Council meetings, Modified Action Minutes be taken at the Solid Waste Subcommittee meetings. Councilman Misetich moved, seconded by Councilwoman Brooks to accept the Minutes of the May 27, 2015 meeting into the record as to form.

2. CONSIDER RESULTS OF RESIDENTIAL SOLID WASTE SERVICES PERFORMANCE AUDIT OF EDCO DISPOSAL CORPORATION

The City's consultant, Dave Davis from MSW Consultants, made the presentation. Councilman Misetich recommended that CJPIA review EDCO's insurance requirements every five years and Councilwoman Brooks concurred. A resident commented that some people leave their cans at the curb for several days, and that the discount calculation needed to be corrected. Mr. Davis reported that the audit found that 8 customers were over billed and that EDCO had agreed to issue credit to those customers and to perform an internal audit to see if there were any other billing errors. Mr. South responded that EDCO would conduct its own field audits and make adjustments to the method of calculating compounding discounts.

Councilwoman Brooks moved to accept the audit report along with matters raised and EDCO's responses to solve the discussed problem. Councilman Misetich seconded the motion.

3. CONSIDER EDCO DISPOSAL CORPORATION'S RESIDENTIAL RATE ADJUSTMENT REQUEST FOR FY 17-18

Senior Analyst Ramezani presented the item. A resident inquired about the senior discount application and commented that the invoices should have an exact due date. Senior Analyst Ramezani responded that new senior application forms are not necessary and that she will continue to work with PV Seniors for outreach regarding EDCO's discounts. Mr. Ramirez commented that EDCO will review the invoices and place an actual due date on them and that the July billing will have two line items, one with the July FY 16-17 rate, and one with the August/September FY 17-18 rates. Councilman Misetich moved to approve recommending EDCO's rate adjustment request of 2.93% to the full Council, seconded by Councilwoman Brooks.

ADJOURNMENT

Councilwoman Brooks moved to adjourn the meeting and Councilman Misetich seconded the motion. The meeting was adjourned at 5:11 PM.

**RANCHO PALOS VERDES CITY COUNCIL
SOLID WASTE SUBCOMMITTEE AGENDA REPORT**

MEETING DATE: 04/25/2017

AGENDA DESCRIPTION:

Consideration to recommend the approval of EDCO's Residential Solid Waste and Recycling rate increase request for FY 18-19 to the City Council

RECOMMENDED SUBCOMMITTEE ACTION:

- 1) Review and recommend to the City Council the approval of EDCO's Residential Solid Waste and Recycling rate increase request of 4.12% for FY18-19

FISCAL IMPACT: If approved by City Council, the City's annual Collector Fee and Environmental Fee would increase by 4.12%.

ORIGINATED BY: Lauren Ramezani, Senior Administrative Analyst *LR*

REVIEWED BY: Elias Sassoon, PE, Director of Public Works *ES*

ATTACHED SUPPORTING DOCUMENTS:

- A. Amendment to the Agreement (minus street sweeping section) between City of Rancho Palos Verdes and EDCO Disposal Corporation for Residential Solid Waste Management Services (page A-1)
 - B. Current FY17-18 and Proposed FY18-19 Rates (page B-1)
 - C. Rate Adjustment Formula, Methodology, Table 5-A (page C-1)
 - D. Collector and Environmental Fees and Recycling Rebate/Credit (page D-1)
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BACKGROUND AND DISCUSSION:

The City has had an exclusive residential solid waste and recycling agreement with EDCO since July 1, 2010. Under this Agreement, EDCO is permitted to request annual rate increases in accordance with a rate-adjustment formula which was approved by City Council following a special notice and hearing process required by Proposition 218 ("Prop 218").

The rate-adjustment formula is called the Rate Adjustment Methodology (RAM). The RAM formula considers several factors including annual changes in Bureau of Labor Statistics, U.S. Department of Labor's published price indices, and various solid waste disposal facilities' gate rates. The formula is found in Section 6.4 and Exhibits 5A and 5B of the Agreement, as amended (Attachments A and C).

The RAM formula does not guarantee a fixed percentage increase (e.g., 1% per year) or a fixed dollar amount increase (e.g., \$2.00 per year per resident). Rather, as described above, the RAM is a multi-factored formula, which is likely to result in a different percentage increase each year.

RATE ADJUSTMENT REQUEST:

In March 2018, in accordance with the RAM formula, EDCO requested a rate adjustment of 4.4% (which was adjusted to 4.12% as explained below) for FY18-19, with the increase effective July 1, 2018.

Due to a one-month delay in implementing the new rates for FY 17-18, a temporary minor increase of 0.28% ($1/12=0.28$) was made to the FY 17-18 rates. This temporary increase will be corrected and reversed this year. Therefore, the net rate increase for FY18-19 will be 4.12% (4.4% less one-time adjustment of 0.28%)

Current and proposed new rates are provided as Attachment B. There are no additional costs or surcharges added to EDCO's requested rate increase. Staff and CAA, the City's AB 939 consultant, reviewed the data and calculations provided by EDCO, and found them accurate and per the Agreement (Attachment C).

SUBCOMMITTEE:

This Subcommittee meeting has been scheduled to provide the Subcommittee members Alegria and Cruikshank the opportunity to review EDCO's rate adjustment request and the summary of the proposed rates, and its adherence to the rate adjustment formula as set forth in EDCO's Agreement. Staff requests that the Subcommittee recommend bringing this rate adjustment request to the full City Council for consideration and approval.

ALTERNATIVES:

In addition to the Staff recommendation, the following alternative actions are available for the Subcommittee's consideration:

1. Do not approve the fee increase. However, this action would be contrary to the terms of the Agreement.
2. Take other action as deemed appropriate by the Subcommittee.

**AMENDMENT TO AGREEMENT BETWEEN CITY OF RANCHO PALOS VERDES
AND EDCO DISPOSAL CORPORATION FOR RESIDENTIAL SOLID WASTE
MANAGEMENT SERVICES**

THIS AMENDMENT TO EDCO AGREEMENT FOR INTEGRATED SOLID WASTE MANAGEMENT SERVICES ("Amendment") dated as of June 30, 2015, is made and entered into by and between CITY OF RANCHO PALOS VERDES, a California municipal corporation ("City"), and EDCO DISPOSAL CORPORATION, a California corporation ("Contractor"). Collectively, City and Contractor are referred to herein as the "Parties".

RECITALS:

A. City and Contractor entered into that certain Agreement Between City of Rancho Palos Verdes and EDCO Disposal Corporation for Residential Solid Waste Management Services dated on or about November 24, 2009 ("EDCO Agreement"). All capitalized terms not otherwise defined in this Amendment shall have the meanings specified in the EDCO Agreement.

B. Pursuant to the EDCO Agreement, Contractor was granted the exclusive right and privilege to provide Solid Waste and Recyclable Materials Handling Services at Residential Premises within Service Area 1.

C. City and Universal Waste Systems, Inc., a California corporation ("UWS") entered into that certain Agreement Between City of Rancho Palos Verdes and Universal Waste Systems Inc. for Residential Solid Waste Management Services dated on or about May 5, 2009 ("UWS Agreement"). Pursuant to the UWS Agreement, UWS was granted the exclusive right and privilege to provide Solid Waste and Recyclable Materials Handling Services at Residential Premises within Service Area 2.

D. Contractor and UWS have informed City that they have entered into an agreement whereby Contractor would acquire all rights of UWS under the UWS Agreement, and have requested that City approve the assignment of the UWS Agreement to Contractor.

E. Contractor has requested an extension of the term of the EDCO Agreement, and the Parties have mutually agreed upon the conditions for such an extension.

F. As an inducement to City to extend the term of the EDCO Agreement and approve the assignment of the UWS Agreement, Contractor has offered to freeze all rates in both Service Area 1 and Service Area 2 until July 1, 2016,

G. Contractor and City desire to amend the EDCO Agreement to extend the term and make other changes, approve the assignment of the UWS Agreement to Contractor, and incorporate Service Area 2.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Contractor do hereby agree as follows:

1. The foregoing Recitals are incorporated herein this reference.
2. This Amendment shall become effective upon the occurrence of the following conditions precedent:
 - (a) Approval of this Amendment by the City Council of the City of Rancho Palos Verdes;
 - (b) Receipt by City of evidence reasonably satisfactory to the City Attorney that UWS has assigned its rights and obligations under the UWS Agreement to Contractor, and that Contractor has assumed those rights and obligations; and
 - (c) Receipt by City of evidence reasonably satisfactory to the City Manager that the insurance and performance security provided by EDCO pursuant to Sections 9.4, 9.5, and 9.6 of the EDCO Agreement are current, and apply to both Service Area 1 and Service Area 2.
3. City hereby approves the assignment of the UWS Agreement to Contractor, subject to the terms and conditions of this Amendment. The transfer fee and cost reimbursement required by Section 12.5 of the UWS Agreement are hereby waived.
4. The UWS Agreement is hereby terminated, and is of no further force or effect. The EDCO Agreement is hereby amended to include Service Area 2. All references to "Service Area 1" in the EDCO Agreement are hereby revised to read "Service Area 1 and Service Area 2".
5. A map depicting Service Area 2 is attached hereto, and is hereby added to the EDCO Agreement as Exhibit 8.
6. Contractor shall commence Solid Waste and Recyclable Materials Handling Services in Service Area 2 on July 1, 2015. Contractor shall provide curbside collection service, in accordance with Section 4.2.1 of the EDCO Agreement, in the areas depicted as Area A and Area B on Exhibit 8. Contractor shall provide manual backyard Collection, in accordance with Sections 4.14, 4.16, and 4.17 of the EDCO Agreement, in the areas depicted as Area C and Area D on Exhibit 8.
7. Article 1 of the EDCO Agreement is hereby revised to add the definition of Service Area 2, as follows:

"1.62.5 Service Area 2

"Service Area 2" means that area of the City identified in Exhibit 8 of this Agreement."
8. Section 2.4 of the EDCO Agreement is hereby revised to read as follows:

“2.4 Term of Agreement

The term of this Agreement shall commence on July 1, 2015 and expire June 30, 2020 (the “Term”), subject to extension or termination as herein provided. Commencing January 1, 2020 and every year thereafter for a maximum of seven renewals, automatic one year extensions shall be applied to the Term so that the Term of the Agreement shall remain between six (6) months and eighteen (18) months. If all of the automatic extensions take place, the Term shall expire on June 30, 2027.

Commencing January 1, 2020, should either Party desire that the automatic one year renewal and extension provision be terminated, such Party may give the other Party written notice of such termination within sixty (60) days prior to January 1 of any year of the Agreement. Such notice will terminate the automatic one year renewal and extension provision, and the Agreement shall remain in effect for the balance of the term then outstanding. By way of example only: the Term shall be extended by one year commencing July 1, 2020, unless within sixty (60) days prior to January 1, 2020, either Party provides notice to the other Party terminating the extension.”

9. Section 2.5 of the EDCO Agreement is hereby deleted.
10. For the period commencing July 1, 2015, the Collector Fee shall be \$135,450.00 per quarter. Thereafter, the Collector Fee shall be adjusted as provided in Section 3.2.1 of the EDCO Agreement. The Parties acknowledge that this amount reflects the addition of Service Area 2 to the EDCO Agreement.
11. For the period commencing July 1, 2015, the Environmental Programs Fee shall be \$34,210.00 per quarter. Thereafter, the Environmental Programs Fee shall be adjusted as provided in Section 3.2.2 of the EDCO Agreement. The Parties acknowledge that this amount reflects the addition of Service Area 2 to the EDCO Agreement.
12. For the period commencing July 1, 2015, the Recycling Rebate shall be \$74,000.00 per quarter. Thereafter, the Recycling Rebate shall be adjusted as provided in Section 3.2.3 of the EDCO Agreement. The Parties acknowledge that this amount reflects the addition of Service Area 2 to the EDCO Agreement.
13. Section 4.4.5 (Organics Recycling Plan) is added to Section 4.4 of the EDCO Agreement, as follows:

“4.4.5 Organics Recycling Plan

Contractor shall provide City a plan for the implementation of organics waste recycling at Residential Premises for City’s evaluation and consideration no later than June 30, 2019. City shall be under no obligation to implement the plan and retains the right to modify or consider implementation at a later date.

At a minimum, Contractor shall identify the following elements for City consideration: projected participation rates among generators, projected recovery rates at processing facility, increased overall diversion benefit to City, public education component, program sustainability factors, financial implications and proposed implementation schedule. Contractor shall take into account any change of law that would impact the Plan.”

14. All references to “Cart” in Subsection 4.6.4.2 of the EDCO Agreement are hereby revised to read “Cart and Contractor-provided manual service Container”.
15. Article 4 of the EDCO Agreement is hereby revised to add the following sections, all of which apply only to Service Area 2:

“4.14 Manual Backyard Refuse Collection

Contractor shall Collect Refuse from Customer-provided Containers once per week from Single-Family Customers and Multi-Family Customers without Bin service in the areas depicted as Area C and Area D on the map attached hereto as Exhibit 8. The Collection location for manual service shall be Customer’s back or side yard, or other location that is not visible from the street. These Customers shall be “Manual Collection Customers.” The number of Containers is not limited.

4.15 Portuguese Bend Beach Club Litter Containers

Contractor shall Collect and Dispose of Solid Waste and Recyclables from litter containers placed at the beach property for no more than the maximum rate identified in the approved rate schedule. Under this EDCO Agreement, Contractor is required to provide this Collection service if requested, but does not have the exclusive right to provide this service, and the Portuguese Bend Beach Club may negotiate with other haulers for this service.

4.16 Recyclable Materials Collection for Manual Collection Customers

Contractor shall Collect Recyclable Materials from Contractor-provided 32-gallon Containers with unattached lids and without wheels, placed at the same Collection location as Customer-provided Refuse Containers, once per week from Manual Collection Customers. Recyclable Materials Collected shall be the same as those Collected from Cart Customers. Contractor shall provide a sufficient number of Containers to each Customer to meet each Customer’s individual needs.

4.17 Green Waste Collection for Manual Collection Customers

Contractor shall Collect Green Waste from Contractor-provided 32-gallon wheeled Containers with unattached lids, as well as unlimited Green Waste tied and bundled as set forth in Section 4.4.1 above, placed at the same Collection location as Customer-provided Refuse Containers, once per week from Manual

Collection Customers. Contractor shall provide a sufficient number of Containers to each Customer to meet each Customer's individual needs.

4.18 Brush Clearing Events

Contractor shall provide and service sufficient Roll-Off Boxes up to twice per year to each homeowners' association for the purpose of brush clearing. Timing and placement of Containers to be mutually agreed upon between Contractor and each homeowners' association."

16. The maximum rates approved for the Rate Year commencing July 1, 2014 for Service Area 1 and Service Area 2 are attached hereto as **Exhibits A and B**, respectively.

Notwithstanding Article 6 of the EDCO Agreement and Article 6 of the UWS Agreement, Contractor will freeze the City approved July 1, 2014 rates through June 30, 2016 for both Service Area 1 and Service Area 2. In calculating the July 1, 2016 rate adjustment formula, there will be no retroactive recovery of the freeze. The July 1, 2016 rate adjustments will be based only on the most recent twelve month indexes (i.e. January 1, 2015 to December 31, 2015) available at that time.

17. Paragraphs (2) and (3) of Section 6.4.2 of the EDCO Agreement are hereby revised to read as follows:

"(2) Annual increase in total disposal component (including Green Waste) in any one year shall be limited to no more than 8%, with non-permitted increases permitted to be applied to any subsequent year's increase to the extent the annual increase does not exceed 8%.

(3) Annual increase in disposal component exclusive of disposal at the Orange County Landfill System is limited to no more than 8%, with non-permitted increases permitted to be applied to any subsequent year's increase to the extent the annual increase does not exceed 8%."

18. Section 6.4.3 of the EDCO Agreement is hereby revised to read as follows:

"6.4.3 Rate Adjustment Steps

All rates will be adjusted using the same methodology and cost component weightings. See Exhibits 5A, 5B and 5C.

Exhibit 5A, Step One - Calculate Percentage Change in Indices. Calculate the percentage increase or decrease in each index listed in Section 6.4.2. The increase or decrease in the published indices for fuel, equipment and all other (CPI, less food and energy) will be the change in the average annual published index between the calendar year ended the December prior to the Rate Year anniversary date and prior calendar year.

Example disposal component calculations are included in Exhibit 5B and Exhibit 5C:

Exhibit 5B, Step 1: Determine the average disposal cost per ton for non-Orange County Landfill disposal.

Exhibit 5B, Step 2: Determine whether the change in the cost per ton of non-Orange County Landfill disposal exceeds the maximum allowable increase of 8%. If so, reduce the new non-Orange County Landfill disposal index to reflect no more than an 8% increase.

Exhibit 5B, Step 3: Weight the cost at the Orange County Landfill System and non-Orange County Landfill cost based upon percentage of tonnage directed to each (subject to a 50% minimum to be assumed directed to the Orange County Landfill System).

Exhibit 5B, Step 4: Determine whether the change in the total Disposal Component exceeds the maximum allowable overall increase 8%. If so, reduce the new disposal index to reflect no more than an 8% increase. The resulting Average Cost Per Ton in Column P on Row 12 of Exhibit 5B will be the New Index Value used in Exhibit 5A.

There may be multiple landfills used, and therefore multiple gate rates for which to calculate the percentage change, which shall be weighted by the number of tons disposed at each landfill. The change in Landfill and Green Waste Disposal indices shall be based upon the change between the per ton gate rates as of the effective date of the rate adjustment and 12 months prior. For example, the rate adjustment effective July 1, 2011 will reflect the change in the gate rate from July 1, 2010 to July 1, 2011. There shall be no adjustment for changes in disposal rates prior to July 1, 2010. See Exhibit 5C to calculate the July 1, 2010 disposal component baseline for the July 1, 2011 rate adjustment.

Exhibit 5A, Step Two

- i. **Component Weightings:** The first rate adjustment cost components as a percentage of service component costs and of total costs are provided in Section 6.4.2 above, with subsequent components calculated in Step Four of the rate adjustment example in Exhibit 5A. For Exhibit 5A, Step Two of each subsequent rate adjustment, use the cost components recalculated in Step Four during the previous rate adjustment.
- ii. **Service Component.** Multiply the percentage changes for each rate adjustment service component by that component's weighting as a percentage of the service component and add these resulting percentages together to get the service component weighted change to the rates, subject to the service component increase cap. The annual change to the service component, calculated on row 11 of Exhibit 5, is capped at no more than a four percent (4%) increase per year. If the increase in any one year is higher than four percent (4%), the percentage

increase not permitted may be added to any subsequent year's increase to the extent that a subsequent increase is below four percent (4%).

iii. Disposal Component.

The change in the disposal component is equal to the calculation on Row 5 of Exhibit 5A, Column C.

iv. Combined Rate Adjustment. Multiply the permissible percentage changes for the combined service component and the disposal component, as determined on rows 13 and 14 in column G of the example rate adjustment calculation in Exhibit 5A, by the cost component weightings for the service and disposal components.

Exhibit 5A, Step Three - Multiply the total weighted percent change from Step Two by the existing Customer rates to calculate the increase or decrease to the maximum rates. Add the rate increase or decrease to the existing rates to derive the newly adjusted rates.

Exhibit 5A, Step Four - Recalculate weightings for the following year based upon these changes.”

19. Section 6.4.4 of the EDCO Agreement is hereby revised to read as follows:

“6.4.4 Government Fees

New or increased Federal, State or locally imposed per ton disposal fee surcharges are excluded from the 8% per year disposal component increase caps.”

20. **Section 4.5.7** (Street Sweeping Contract Management) is hereby added to Section 4.5 of the EDCO Agreement, as follows:

“4.5.7 Street Sweeping Contract Management

Commencing July 1, 2015, or such later date as may be directed by City’s Director of Public Works, and for the term of this Agreement thereafter, Contractor shall provide contract management services of City street sweeping services in accordance with the current requirements specified by City at no additional cost to City.

Street sweeping services shall be provided through a street sweeping service provider engaged by City. In the event of (i) default of the street sweeping contract that is not the result of the negligence or willful act of Contractor, and/or (ii) termination of street sweeping services that is not the result of the negligence or willful act of Contractor, such default or termination shall not be cause for default and/or termination of this Agreement.

Contractor shall initially provide contract management services under a street sweeping agreement between City and Joe's Sweeping AKA Nationwide Environmental Services, dated May 19, 2009, as amended by those certain First, Second, and Third Amendments dated July 1, 2012, July 1, 2013, and July 1, 2014 (as amended the "Joe's Street Sweeping Agreement") until it's expiration, at no additional cost to City. A copy of the Joe's Street Sweeping Agreement is attached hereto as Exhibit C and incorporated herein by this reference.

Prior to expiration of the Joe's Street Sweeping Agreement, City shall select a qualified street sweeping service provider to perform street sweeping services of city streets and contract with such provider following the expiration of the Joe's Street Sweeping Agreement. City shall assign the contract to the Contractor for contract management. The Joe's Street Sweeping Agreement and any successor agreement entered into by City and a street sweeping service provider, are referred to herein as the "Street Sweeping Agreement".

Contractor shall ensure that street sweeping services are provided in accordance with terms and conditions specified by City. Contractor shall be responsible for all inquiries on street sweeping through its customer service call center and shall ensure that all matters are promptly corrected to the satisfaction of City.

Contractor shall coordinate street sweeping services with City's Code Enforcement Division to enforce parking regulations related to street sweeping activities, as directed by City's Director of Public Works.

Contractor shall deliver an annual report to City on the number of linear miles swept, amount of street sweeping debris collected and disposed, and other pertinent statistics as may be required by the Director of Public Works.

Contractor shall be responsible for supervising the street sweeping service provider to ensure the street sweeping service provider performs street sweeping services to the highest level possible and properly disposes of street sweeping debris in a lawful manner. Contractor shall ensure that all terms and provisions in the Street Sweeping Agreement are maintained.

On or before the 10th day of each month, Contractor will invoice City for street sweeping services performed during the preceding month by the street sweeping service provider. Each invoice shall also itemize the additional street sweeping services performed during the preceding month, by hour, and the actual costs incurred for processing of collected sweepings and water. There shall be no additional fees added by Contractor for contract management other than those requested by the street sweeping service provider.

City shall pay each invoice within thirty (30) days after receipt, except such amounts as City may in good faith dispute, which amounts City may withhold until resolution of the dispute. Payment of any disputed amounts shall be made within ten (10) days following resolution of the dispute.

Contractor shall remit appropriate payment to the street sweeping service provider in accordance with the terms of Street Sweeping Agreement."

21. No further Changes. Except as expressly modified by this Amendment, the EDCO Agreement remains in full force and effect without modification or impairment.
22. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date and year first above written.

CITY OF RANCHO PALOS VERDES,
a California municipal corporation




Jim Knight, Mayor

ATTEST:



Carla Morreale, City Clerk

APPROVED AS TO FORM:
Richards, Watson & Gershon



Carol W. Lynch, City Attorney

EDCO DISPOSAL CORPORATION.,
a California Corporation

By: Edward Burn

Its: CO-CHAIR

By: James Burn

Its: CO-CHAIR

Exhibit A

**MAXIMUM RATES FOR SERVICE AREA 1
IN EFFECT UNTIL JUNE 30, 2016**

Exhibit 4 City of Rancho Palos Verdes - Area 1 EDCO

Rates Effective 7/1/2015 (No Change from 2014)

EDCO SINGLE-FAMILY RATES

Monthly Cart Service			
One each Refuse,			
Refuse Cart Size:	35-gallon	64-gallon	96-gallon
Standard Service	\$19.40	\$24.97	\$30.52
Additional Refuse Cart	\$6.67	\$8.90	\$11.13
Additional Recycling Cart	Free	Free	Free
Additional Green Waste Cart (above three)	\$2.23	n/a	\$4.45
Other Cart Rates and Services (Charged In			
Backyard Service - per			\$6.86
Pup Service - per home			\$5.72
Backyard and Pup			\$9.14
Senior Rate Reduction			10%
Low-Income Rate			5%
Annual Payment Rate			5%
Additional Special			\$5.56
Overage Pickup for Automated Cart			
Additional Bulky Item			\$27.82
Cart Exchange (after free-			\$16.69
Cart Re-delivery Fee (if			\$27.82
Re-Start Fee - after			\$16.69

* Including all fees retained by, or paid to, City.

Monthly Bin Rates							
Container Size	Pickups						Extra Pickups
	1	2	3	4	5	6	
2-yard	\$86.49	\$120.53	\$154.57	\$171.59	\$222.68	\$237.30	\$61.68
3-yard	\$120.57	\$154.61	\$188.67	\$222.72	\$273.75	\$284.55	\$71.96
3-yard w/ compactor	\$241.12	\$309.23	\$377.30	\$445.42	\$547.52	\$569.06	\$143.94
4-yard	\$137.65	\$171.62	\$222.72	\$273.79	\$333.57	\$354.53	\$82.25
4-yard w/ compactor	\$275.29	\$343.27	\$445.44	\$547.59	\$664.86	\$709.07	\$166.73
6-yard	\$171.70	\$230.32	\$273.80	\$324.89	\$377.57	\$394.73	\$123.38
Recycling bin/cart	No charge						

Other Bin Service Rates -						
Bin Service	Pickups					
	1	2	3	4	5	6
Locking Bin Service	\$6.86	\$9.14	\$10.28	\$11.42	\$13.72	\$14.85
Scout Vehicles	\$28.56	\$50.27	\$71.96	\$93.68	\$115.38	\$137.08
Bin Push-Out Service (35 feet or further)	\$47.99	\$85.68	\$117.66	\$145.08	\$177.07	\$211.33

Exhibit 4 City of Rancho Palos Verdes - Area 1 EDCO

Rates Effective 7/1/2015 (No Change from 2014)

Additional Service Charges	Rate Per Service
Bin Cleaning Per Bin	\$50.05
Bin Overage Clean-up (following one written	\$22.24
Additional Bulky Item pickups (in excess of three	\$27.82
Emergency Service Rates - one crew and one	\$94.55

Recycling Rebate (Fixed)	Rebate per Unit Per Month	
Single Family	\$1.58	(No Change/ Rate adjusted per Section 3.2.3 only)
Multi-Family	\$1.58	(No Change/ Rate adjusted per Section 3.2.3 only)

Fees	
Collector	\$506,065
Environmental	\$127,906
Recycling Rebate (Fixed)	Note 1

Note 1: Rebated directly to Customers Effective 1/1/2013

Exhibit B

**MAXIMUM RATES FOR SERVICE AREA 2
IN EFFECT UNTIL JUNE 30, 2016**

Exhibit 4 City of Rancho Palos Verdes - Area 2 UWS

FY 15-16 Effective 7/1/2015 (No Change from 2014)

Single-Family Maximum not to Exceed Rates

Monthly Manual Service Rates			
Backyard Service for refuse, recycling, and green waste *- per home per month			\$60.62
Manure 32-gal customer-provided can (per can per month)			\$22.04
Monthly Automated Cart Service Rates			
One each Refuse, Recycling, and Green Waste Cart, rate based upon Refuse Cart size:			
Refuse Cart Size:	35-gallon	64-gallon	96-gallon
Standard Service, based on refuse cart size	\$19.40	\$24.97	\$30.52
Additional Refuse Cart	\$6.67	\$8.90	\$11.13
Additional Recycling Cart	free	free	free
Additional Green Waste Cart (over three carts)	\$2.23	n/a	\$4.45
Other Cart Rates and Services (Charged in Addition to Monthly Cart Service Rates)			
Backyard Service - per home per month, all cart sizes			\$6.62
Senior Rate Reduction			10%
Low-Income Rate Reduction			5%
Annual Payment Rate Reduction			5%
Additional Special Overage Pickup for Automated Cart Customers (in excess of two pickups per year), per pickup			\$5.56
Additional Bulky Item pickups (in excess of three free pickups per dwelling unit per year), per item			\$27.82
Cart Exchange (after free-exchange period), per request			\$16.69
Cart Re-delivery Fee (if carts are pulled for non-payment, one charge for redelivery of all carts)			\$27.82
Re-Start Fee - after voluntary suspension of service, if carts have not been pulled, per re-start			\$16.69

Exhibit 4 City of Rancho Palos Verdes - Area 2 UWS

FY 15-16 Effective 7/1/2015 (No Change from 2014)

Multi-Family

FY 15-16 Effective 7/1/2015 (No Change from 2014)

Following are the not to exceed rates for July 1, 2015 through June 30, 2016:

Monthly Bin Rates							
Container Size	No. Pickups per week						
	1	2	3	4	5	6	Extra Pickups
2-yard	\$76.06	\$106.03	\$135.46	\$150.63	\$194.87	\$224.56	\$16.53
3-yard	\$105.83	\$135.49	\$165.22	\$194.91	\$240.55	\$270.41	\$27.56
4-yard	\$120.74	\$150.38	\$194.96	\$240.59	\$290.67	\$336.80	\$38.58
Manure 3-yard	\$137.76						\$27.56
Recycling bin/cart	No charge						

Other Bin Service Rates - Per Month						
Bin Service	No. Pickups per week					
	1	2	3	4	5	6
Locking Bin Service	\$7.84	\$9.79	\$11.16	\$12.54	\$13.91	\$15.29
Scout Vehicles	\$29.03	\$49.85	\$70.25	\$90.85	\$111.48	\$132.10
Bin Push-Out Service (35 feet or further)	\$44.04	\$78.40	\$105.85	\$133.33	\$160.81	\$188.30

Additional Service Charges	Rate Per Service
Portuguese Bend Beach Club - beach litter container collection per month (not to exceed)	\$2,204.13
Bin Cleaning Per Bin	\$27.56
Bin Overage Clean-up (following one written warning) Per Clean Up	\$27.56
Additional Bulky Item pickups (in excess of three free pickups per dwelling unit per year) Per Item	\$27.56
Emergency Service Rates - one crew and one collection truck (Per Hr)	\$93.67

Proposed Fees FY 15-16	Amount
Collector	\$35,735
Environmental	\$8,930
Recycling Rebate	\$0

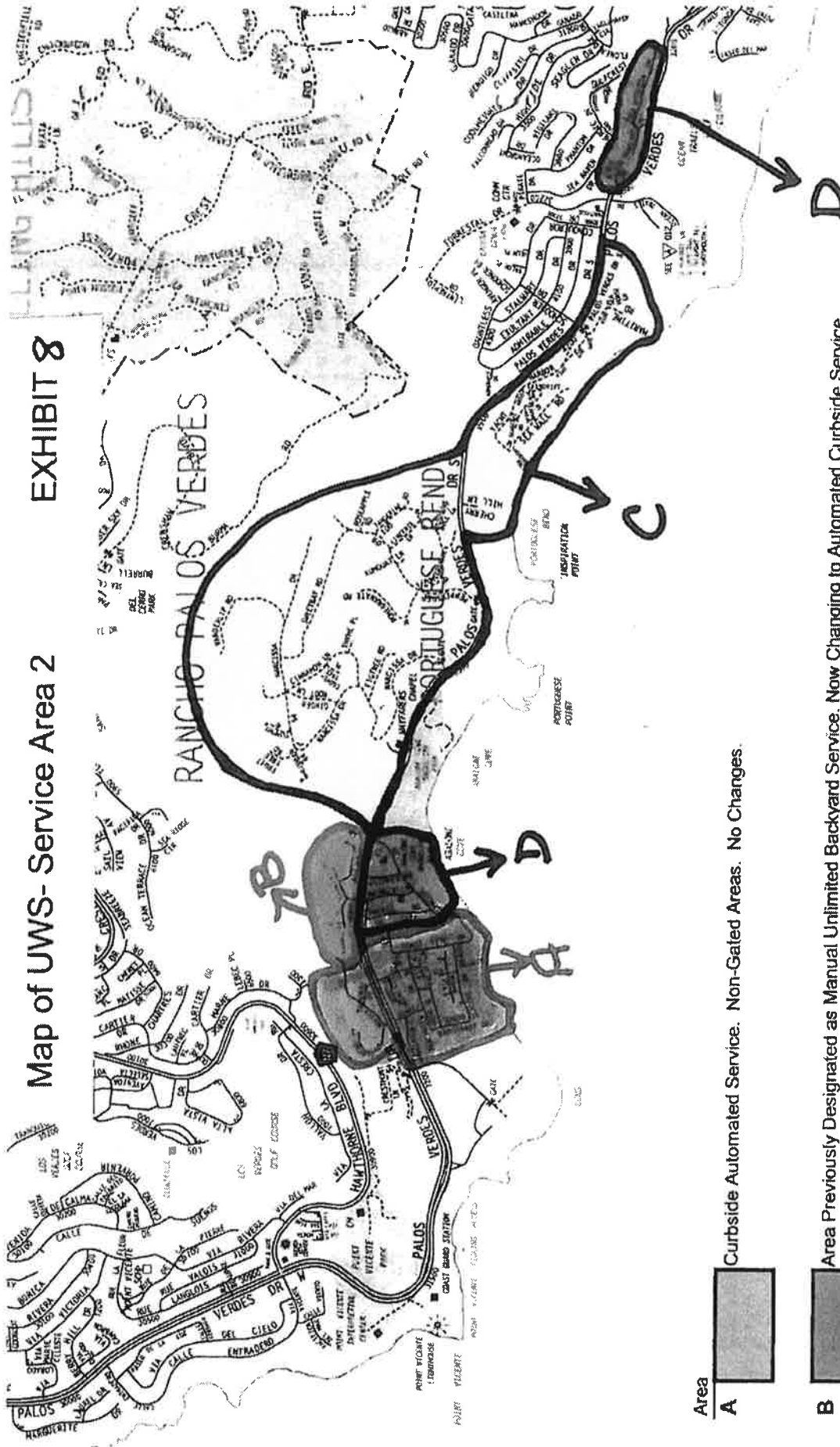
Rebate offered to customers as of 1/1/2013. No change.

Exhibit 8

MAP DEPICTING SERVICE AREA 2

Map of UWS- Service Area 2

EXHIBIT 8



Area



A Curbside Automated Service. Non-Gated Areas. No Changes.



B Area Previously Designated as Manual Unlimited Backyard Service. Now Changing to Automated Curbside Service.



C Manual Unlimited Backyard Service. Gate Areas. No Changes.



D Manual Unlimited Backyard Service. Non-Gated Areas. No Changes.

INTERNATIONAL FIDELITY INSURANCE COMPANY

(Home Office: Newark, New Jersey)
2999 Oak Road, #820, Walnut Creek, CA 94597

RECEIVED
City of Rancho Palos Verdes

OCT 24 2016

CONTINUATION-PREMIUM BILLING NOTICE

PUBLIC WORKS DEPARTMENT

Principal-Name & Address

EDCO Disposal Corporation
6670 Federal Blvd.
Lemon Grove, CA 91945-1392

Bond No.: 472111

Continuation Effective Date

From: November 11, 2016
To: November 11, 2017

Obligee

City of Rancho Palos Verdes
30940 Hawthorne Blvd.
Rancho Palos Verdes, CA 90275-5391

Agent:

International Fidelity Insurance Company
One Newark Center
Newark, NJ 07102-5207

Bond Amount

\$1,750,000.00

Premium Billing

\$19,950.00

- ☐ Continuation Certificate Not Required
☒ Continuation Certificate Required And Is Described Below

CONTINUATION CERTIFICATE

It is hereby agreed that the captioned numbered Bond is continued in force in the above amount for the period of the continued term stated above and is subject to all the covenants and conditions of said Bond.

This continuation shall be deemed a part of the original Bond, and not a new obligation, no matter how long the Bond has been in force or how many premiums are paid for the Bond, unless otherwise provided for by statute or ordinance applicable.

In witness whereof, the company has caused this instrument to be duly signed, sealed and dated as of the above "continuation effective date".

International Fidelity Insurance Company

Signed and Sealed this 4th Day of October, 2016

By 

Lawrence F. McMahon / Attorney-in-Fact

No Signature Needed Where Continuation Certificate Is Not Required

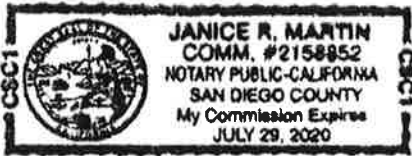
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT Civil Code § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA }

County of San Diego

On OCT 04 2016 before me, Janice R. Martin, Notary Public,
Date Insert Name of Notary exactly as it appears on the official seal

personally appeared Lawrence F. McMahonName(s) of Signer(s)

Place Notary Seal Above

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature

Signature of Notary Public Janice R. Martin**OPTIONAL**

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of the form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner ☐ Limited ☐ General
☒ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

**RIGHT THUMBPRINT
OF SIGNER**

Top of thumb here

Signer is Representing: _____

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

**RIGHT THUMBPRINT
OF SIGNER**

Top of thumb here

Signer is Representing: _____

POWER OF ATTORNEY

INTERNATIONAL FIDELITY INSURANCE COMPANY ALLEGHENY CASUALTY COMPANY

ONE NEWARK CENTER, 20TH FLOOR NEWARK, NEW JERSEY 07102-5207

KNOW ALL MEN BY THESE PRESENTS: That INTERNATIONAL FIDELITY INSURANCE COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and ALLEGHENY CASUALTY COMPANY, a corporation organized and existing under the laws of the State of Pennsylvania, having their principal office in the City of Newark, New Jersey, do hereby constitute and appoint

JAMES D. CASTLE, LAWRENCE F. MCMAHON

San Diego, CA.

their true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by their regularly elected officers at their principal offices.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of the By-Laws of INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY and is granted under and by authority of the following resolution adopted by the Board of Directors of INTERNATIONAL FIDELITY INSURANCE COMPANY at a meeting duly held on the 20th day of July, 2010 and by the Board of Directors of ALLEGHENY CASUALTY COMPANY at a meeting duly held on the 15th day of August, 2000:

"RESOLVED, that (1) the President, Vice President, Chief Executive Officer or Secretary of the Corporation shall have the power to appoint, and to revoke the appointments of, Attorneys-in-Fact or agents with power and authority as defined or limited in their respective powers of attorney, and to execute on behalf of the Corporation and affix the Corporation's seal thereto, bonds, undertakings, recognizances, contracts of indemnity and other written obligations in the nature thereof or related thereto; and (2) any such Officers of the Corporation may appoint and revoke the appointments of joint-control custodians, agents for acceptance of process, and Attorneys-in-fact with authority to execute waivers and consents on behalf of the Corporation; and (3) the signature of any such Officer of the Corporation and the Corporation's seal may be affixed by facsimile to any power of attorney or certification given for the execution of any bond, undertaking, recognizance, contract of indemnity or other written obligation in the nature thereof or related thereto, such signature and seals when so used whether heretofore or hereafter, being hereby adopted by the Corporation as the original signature of such officer and the original seal of the Corporation, to be valid and binding upon the Corporation with the same force and effect as though manually affixed."

IN WITNESS WHEREOF, INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY have each executed and attested these presents on this 22nd day of July, 2014.



STATE OF NEW JERSEY
County of Essex

ROBERT W. MINSTER
Chief Executive Officer (International Fidelity Insurance Company) and President (Allegheny Casualty Company)



On this 22nd day of July 2014, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said he is the therein described and authorized officer of INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY; that the seals affixed to said instrument are the Corporate Seals of said Companies; that the said Corporate Seals and his signature were duly affixed by order of the Boards of Directors of said Companies.

IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.



A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 16, 2019

CERTIFICATION

I, the undersigned officer of INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Sections of the By-Laws of said Companies as set forth in said Power of Attorney, with the originals on file in the home office of said companies, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this OCT 04 2016 day of

MARIA BRANCO, Assistant Secretary

A-21

City of Rancho Palos Verdes - Area 1 EDCO SINGLE-FAMILY RATES

Increase eff 7/1/18

4.40%

Reverse Adjustment for 1
month delay (eff 8/1/17)

-0.28%

Proposed Rates

FY 18-19 Effective 7/1/2018

Current Rates Effective 8/1/17

Monthly Cart Service Rates				
One each Refuse, Recycling, and Green Waste Cart, rate based upon Refuse Cart size:				
Refuse Cart Size:	35-gallon	64-gallon	96-	
Standard Service	\$20.36	\$26.21	\$32.03	
Additional Refuse Cart	\$7.00	\$9.34	\$11.68	
Additional Recycling Cart	Free	Free	Free	
Additional Green Waste Cart (above three)	\$2.34	n/a	\$4.67	
Other Cart Rates and Services (Charged in Addition to Monthly Cart Service Rates)				
Backyard Service - per home per month, all cart sizes			\$7.19	
Pup Service - per home per month, all cart sizes			\$6.00	
Backyard and Pup Services - per home per month, all cart sizes			\$9.59	
Senior Rate Reduction			10%	
Low-Income Rate Reduction			5%	
Annual Payment Rate Reduction			5%	
Additional Special Overage Pickup for Automated Cart Customers (in excess of two pickups per year)			\$5.84	
Additional Bulky Item pickups (in excess of three free pickups per dwelling unit per year)			\$29.19	
Cart Exchange (after free-exchange period)			\$17.52	
Cart Re-delivery Fee (if carts are pulled for non-payment, one charge for redelivery of all carts)			\$29.19	
Re-Start Fee - after voluntary suspension of service, if carts have not been pulled			\$17.52	

* Including all fees retained by, or paid to, City.

Monthly Cart Service Rates				
One each Refuse, Recycling, and Green Waste Cart, rate based upon Refuse Cart size:				
Refuse Cart Size:	35-gallon	64-gallon	96-gallon	
Standard Service	\$21.20	\$27.29	\$33.35	
Additional Refuse Cart	\$7.29	\$9.72	\$12.16	
Additional Recycling Cart	Free	Free	Free	
Additional Green Waste Cart (above three)	\$2.44	n/a	\$4.86	
Other Cart Rates and Services (Charged in Addition to Monthly Cart Service Rates)				
Backyard Service - per home per month, all cart sizes			\$7.49	
Pup Service - per home per month, all cart sizes			\$6.25	
Backyard and Pup Services - per home per month, all cart sizes			\$9.99	
Senior Rate Reduction			10%	
Low-Income Rate Reduction			5%	
Annual Payment Rate Reduction			5%	
Additional Special Overage Pickup for Automated Cart Customers (in excess of two pickups per year)			\$6.08	
Additional Bulky Item pickups (in excess of three free pickups per dwelling unit per year)			\$30.39	
Cart Exchange (after free-exchange period)			\$18.24	
Cart Re-delivery Fee (if carts are pulled for non-payment, one charge for redelivery of all carts)			\$30.39	
Re-Start Fee - after voluntary suspension of service, if carts have not been pulled			\$18.24	

* Including all fees retained by, or paid to, City.

Total % Incr Eff. 7.1.18

4.12%

The FY 18-19 rates reflect a 4.12% increase.

City of Rancho Palos Verdes - Area 1

EDCO SINGLE-FAMILY RATES

MULTI- FAMILY RATES

Increase eff 7/1/18

4.40%

Proposed Rates

MULTI- FAMILY RATES

Container Size	Monthly Bin Rates					
	Pickups per week					
	1	2	3	4	5	6
2-yard	\$90.76	\$126.48	\$162.20	\$180.07	\$233.67	\$249.02
3-yard	\$126.52	\$162.24	\$197.99	\$233.71	\$287.27	\$298.60
3-yard w/ compactor	\$253.02	\$334.50	\$395.93	\$467.42	\$574.56	\$597.16
4-yard	\$144.44	\$180.10	\$233.71	\$287.31	\$350.03	\$372.03
4-yard w/ compactor	\$288.88	\$380.21	\$467.44	\$574.63	\$697.68	\$744.08
6-yard	\$180.18	\$241.69	\$287.32	\$340.94	\$396.21	\$414.22
Recycling bin/cart	No charge					
Extra Pickups						

Bin Service	Other Bin Service Rates - Per Month					
	Pickups per week					
	1	2	3	4	5	6
Locking Bin Service	\$7.19	\$9.59	\$10.79	\$11.98	\$14.40	\$15.58
Scout Vehicles	\$29.97	\$52.75	\$75.51	\$98.31	\$121.08	\$143.84
Bin Push-Out Service (35 feet or further)	\$50.36	\$89.91	\$123.46	\$152.24	\$185.81	\$221.76

Additional Service Charges		Rate Per Service
Bin Cleaning Per Bin		\$52.53
Bin Overage Clean-up (following one written warning) Per Clean Up		\$23.33
Additional Bulky Item pickups (in excess of three free pickups per dwelling unit per year) Per Item		\$29.19
Emergency Service Rates - one crew and one collection truck (Per Hr)		\$99.21

Recycling Rebate (Fixed)	Rebate per Unit Per Month
Single Family	\$1.58
Multi-Family	\$1.58

(No Change/ Rate adjusted per Section 3.2.3 only)
(No Change/ Rate adjusted per Section 3.2.3 only)

Fees	
Collector	\$531,050
Environmental	\$134,221
Recycling Rebate (Fixed)	Note 1

Note 1: Rebated directly to Customers Effective 1/1/2013

Container Size	Monthly Bin Rates					
	Pickups per week					
	1	2	3	4	5	6
2-yard	\$94.50	\$131.69	\$168.88	\$187.49	\$243.30	\$258.28
3-yard	\$131.73	\$168.92	\$206.15	\$243.34	\$299.11	\$310.90
3-yard w/ compactor	\$263.44	\$337.87	\$412.24	\$486.68	\$598.23	\$621.76
4-yard	\$150.39	\$187.52	\$243.34	\$299.15	\$364.45	\$387.36
4-yard w/ compactor	\$300.78	\$375.05	\$466.70	\$566.30	\$726.42	\$774.74
6-yard	\$187.60	\$251.65	\$299.16	\$354.99	\$412.53	\$431.29
Recycling bin/cart	No charge					
Extra Pickups						

Bin Service	Other Bin Service Rates - Per Month					
	Pickups per week					
	1	2	3	4	5	6
Locking Bin Service	\$7.49	\$9.99	\$11.23	\$12.47	\$14.99	\$16.22
Scout Vehicles	\$31.20	\$54.92	\$78.62	\$102.36	\$126.07	\$149.77
Bin Push-Out Service (35 feet or further)	\$52.43	\$99.61	\$128.55	\$158.51	\$193.47	\$230.90

Additional Service Charges		Rate Per Service
Bin Cleaning Per Bin		\$54.69
Bin Overage Clean-up (following one written warning) Per Clean Up		\$24.29
Additional Bulky Item pickups (in excess of three free pickups per dwelling unit per year) Per Item		\$30.39
Emergency Service Rates - one crew and one collection truck (Per Hr)		\$103.30

Recycling Rebate (Fixed)	Rebate per Unit Per Month
Single Family	\$1.58
Multi-Family	\$1.58

(No Change/ Rate adjusted per Section 3.2.3 only)
(No Change/ Rate adjusted per Section 3.2.3 only)

Fees	
Collector	\$552,929
Environmental	\$139,751
Recycling Rebate (Fixed)	Note 1

Note 1: Rebated directly to Customers Effective 1/1/2013

City of Rancho Palos Verdes - Area 2 (former UWS Area)

SINGLE- FAMILY

Current Rates Effective 1/1/17

Monthly Manual Service Rates			
Backyard Service for refuse, recycling, and green waste *- per home per month			\$63.61
Manure 32-gal customer-provided can (per can per month)			\$23.13
Monthly Automated Cart Service Rates			
One each Refuse, Recycling, and Green Waste Cart, rate based upon Refuse Cart size			
Refuse Cart Size:	35-gallon	64-gallon	96-gallon
Standard Service, based on refuse cart size	\$20.36	\$26.21	\$32.03
Additional Refuse Cart	\$7.00	\$9.34	\$11.68
Additional Recycling Cart	free	free	free
Additional Green Waste Cart (over three carts)	\$2.34	n/a	\$4.67
Other Cart Rates and Services (Charged in Addition to Monthly Cart Service Rates)			
Backyard Service - per home per month, all cart sizes			\$7.19
Senior Rate Reduction			10%
Low-Income Rate Reduction			5%
Annual Payment Rate Reduction			5%
Additional Special Coverage Pickup for Automated Cart Customers (in excess of two pickups per year), per pickup			\$5.84
Additional Bulky Item pickups (in excess of three free pickups per dwelling unit per year), per item			\$29.19
Cart Exchange (after free-exchange period), per request			\$17.52
Cart Re-delivery Fee (if carts are pulled for non-payment, one charge for redelivery of all carts)			\$29.19
Re-Start Fee - after voluntary suspension of service, if carts have not been pulled, per re-start			\$17.52

Proposed Single-Family Maximum(Not to Exceed) Rates FY 18-19 Effective 7/1/2018

Monthly Manual Service Rates			
Backyard Service for refuse, recycling, and green waste *- per home per month			\$66.23
Manure 32-gal customer-provided can (per can per month)			\$24.08
Monthly Automated Cart Service Rates			
One each Refuse, Recycling, and Green Waste Cart, rate based upon Refuse Cart size			
Refuse Cart Size:	35-gallon	64-gallon	96-gallon
Standard Service, based on refuse cart size	\$21.20	\$27.29	\$33.35
Additional Refuse Cart	\$7.29	\$9.72	\$12.16
Additional Recycling Cart	free	free	free
Additional Green Waste Cart (over three carts)	\$2.44	n/a	\$4.86
Other Cart Rates and Services (Charged in Addition to Monthly Cart Service Rates)			
Backyard Service - per home per month, all cart sizes			\$7.49
Senior Rate Reduction			10%
Low-Income Rate Reduction			5%
Annual Payment Rate Reduction			5%
Additional Special Coverage Pickup for Automated Cart Customers (in excess of two pickups per year), per pickup			\$6.08
Additional Bulky Item pickups (in excess of three free pickups per dwelling unit per year), per item			\$30.39
Cart Exchange (after free-exchange period), per request			\$18.24
Cart Re-delivery Fee (if carts are pulled for non-payment, one charge for redelivery of all carts)			\$30.39
Re-Start Fee - after voluntary suspension of service, if carts have not been pulled, per re-start			\$18.24

Increase eff 7/1/18 4.40%
Reverse Adjustment for 1 month delay (eff 9/1/17) -0.28%
% Increase Eff. 8.1.17 4.12%

The FY 18-19 rates reflect a 4.12% increase.

EXHIBIT 4

Multi-Family

Current Rates Effective 1/1/17

Container Size	Monthly Bin Rates					
	No. Pickups per week					
	1	2	3	4	5	6
2-yard	\$79.81	\$111.27	\$142.15	\$158.07	\$204.49	\$235.65
3-yard	\$111.05	\$142.18	\$173.38	\$204.53	\$252.43	\$283.76
4-yard	\$126.70	\$157.80	\$204.58	\$252.47	\$305.02	\$353.43
Manure 3-yard	\$144.57					
Recycling bin/cart	No					

Other Bin Service Rates - Bin Service						
	No.	1	2	3	4	5
Locking Bin Service	\$8.22	\$10.27	\$11.71	\$13.15	\$14.60	\$16.05
Scout Vehicles	\$30.47	\$52.31	\$73.72	\$95.33	\$116.98	\$138.63
Bin Push-Out Service (35 feet or further)	\$46.22	\$82.27	\$111.07	\$139.91	\$168.75	\$197.59

Additional Service Charges		Rate Per Service
Portuguese Bend Beach Club - beach litter		\$2,312.95
Bin Cleaning Per Bin		\$28.92
Bin Overage Clean-up (following one written Additional Bulky Item pickups (in excess of three		\$28.92
Emergency Service Rates - one crew and one		\$98.30

Current Rates Effective 1/1/17		Area 1	Total Area 1, 2	Per Qtr
Collector	Amount	\$531,050	\$568,549	\$ 142,137
Environmental	\$37,499			\$ 35,898
Recycling Rebate	\$9,371			
	\$0			

EXHIBIT 4

Multi-Family

PROPOSED MAXIMUM (Not to Exceed) RATES

FY 18-19 Effective 7/1/2018

Container Size	Monthly Bin Rates					
	No. Pickups per week					
	1	2	3	4	5	6
2-yard	\$83.10	\$115.85	\$148.01	\$164.58	\$212.91	\$245.36
3-yard	\$115.63	\$148.04	\$180.52	\$212.96	\$262.83	\$295.45
4-yard	\$131.92	\$164.30	\$213.01	\$262.87	\$317.59	\$367.99
Manure 3-yard	\$150.53					
Recycling bin/cart	No charge					

Other Bin Service Rates - Bin Service						
	No. Pickups	1	2	3	4	5
Locking Bin Service	\$8.36	\$10.69	\$12.19	\$13.69	\$15.20	\$16.71
Scout Vehicles	\$31.73	\$54.47	\$76.76	\$99.26	\$121.80	\$144.34
Bin Push-Out Service (35 feet or further)	\$48.12	\$85.66	\$115.65	\$145.67	\$175.70	\$205.73

Additional Service Charges		Rate Per Service
Portuguese Bend Beach Club - beach litter container		\$2,408.24
Bin Cleaning Per Bin		\$30.11
Bin Overage Clean-up (following one written warning)		\$30.11
Additional Bulky Item pickups (in excess of three free		\$30.11
Emergency Service Rates - one crew and one collection		\$102.35

FY 18-19 Effective 7/1/2018		Area 1	Total Area 1, 2	Per Qtr
Collector	Amount	\$552,929	\$591,973	\$ 147,993
Environmental	\$39,044		\$149,508	\$ 37,377
Recycling Rebate	\$9,757			
	\$0			

EDCO Disposal Corporation
EXHIBIT 5A
RATE ADJUSTMENT FORMULA - Effective 7/1/2018

Step One: Calculate percentage change in indices

Row	Adjustment Factor	Index	A Old Index Value (prior year's "New Index") 2017	B New Index Value 2018	C Percent Change In Index ((Column B/ Column A) -1)
Service Component					
1	Labor (hrly rate)	(1)	24.60	25.30	2.8%
2	Fuel (Natural Gas)	(2)	96.6	119.1	23.3%
3	Equipment	(3)	144.9	147.7	1.9%
4	All Other	(4)	247.602	252.169	1.8%
5	Disposal Component	(5)	\$33.07	\$ 35.38	7.0%

Step Two: Determine components

Row	Adjustment Factor	D Cost Component Weighted as a % of Component Total (6)	E Percent Change In Index (from Column C)	F Total Weighted Change (Column D x E)	G Total Weighted Change, Subject to Increase Cap
Service Component					
9	Labor	31.6%	2.8%	0.9%	
10	Fuel	4.4%	23.3%	1.0%	
11	Equipment	21.6%	1.9%	0.4%	
12	All Other	42.4%	1.8%	0.8%	
13	Service Sub-Total	100.0%		3.1%	3.1% (7)
14	Disposal Sub-Total	100%	7.0%	7.0%	7.0% (8)
Total Rate Adjustment					
22	Service	67.3%	3.1%	2.1%	2.1%
23	Disposal	32.7%	7.0%	2.3%	2.3%
24	Total Rate Adjustment	100.0%			4.4%

Step Three: Apply percentage change to sample rates

Row	Rate Category	H Existing Customer Maximum Rate FY 2017/18	I Total Weighted Percentage Change (Row 13, Column F)	J Rate Increase or Decrease (Column H x Column I)	K Adjusted Max. Rate (Column H + Column J) FY 2018/19
20	Residential Service - 64 gal	\$ 26.21	4.4% (9)	\$ 1.15	\$ 27.36
21	Additional Refuse Cart	\$ 9.34	4.4%	\$ 0.41	\$ 9.75
22	3 Yd Bin, 1x week	\$ 126.52	4.4%	\$ 5.57	\$ 132.09
23	3 Yd Bin 2x week	\$ 162.24	4.4%	\$ 7.14	\$ 169.38
24	Extra Pick-up - 2 yd	\$ 64.72	4.4%	\$ 2.85	\$ 67.57
25	Extra Bulky Item	\$ 29.19	4.4%	\$ 1.28	\$ 30.47
26	Extra Bin Cleaning	\$ 52.53	4.4%	\$ 2.31	\$ 54.84

Step Four: Re-weight cost components

Row	Adjustment Factor	Index	L Cost Component Weighting (Column D)	M Percent Change as Applied to Rate Adjustment (Column E)	N Increase in Cost Components (Column L x Column M)	O Cost Component Increased (Column L + Column N)	P Cost Components Reweighted to Equal 100% (To be used for FY 2018/19)
27	Labor	(1)	31.6%	2.8%	0.9%	32.5%	31.5%
28	Fuel	(2)	4.4%	23.3%	1.0%	5.4%	5.2%
29	Equipment	(3)	21.6%	1.9%	0.4%	22.0%	21.3%
30	All Other	(4)	42.4%	1.8%	0.8%	43.2%	41.9%
31	Service Sub-Total		100.0%			103.1%	100.0%
38	Service Component		67.3%	3.1%	2.1%	69.4%	66.5%
39	Disposal Component		32.7%	7.0%	2.3%	35.0%	33.5%
40	Total		100.0%			104.4%	100.0%

- (1) Driver A/B rate from Agreement between local haulers and Package and General Utility Drivers Local Union 396, International Brotherhood of Teamsters.
(2) Producer Price Index, WPU 0531 not seasonally adjusted, Fuels and related products and power, natural gas - average annual change. (Preliminary numbers used in March)
(3) Producer Price Index, PCU336120336120, Heavy duty truck manufacturing - average annual change (Preliminary numbers used in March).
(4) Consumer Price Index for All Urban Consumers (CUUR0000SA0L1E), all items less food and energy index - U.S. city average - average annual change.
(5) As determined in Exhibit 5B.
(6) This column comes from Column P of the previous year's rate adjustment worksheet.
(7) Service component change is limited to 4% in any one year with carryover to subsequent years
(8) Total disposal increase in 2018 of 7% did not exceed the 8% cap.
(9) The actual rate adjustment is 4.4%. However, due to a one time adjustment of (-0.28%), rates for FY 18-19 will increase by 4.12%.

Attachment C

Rate Adjustment Formula and Methodology

The City has a specific rate adjustment methodology (RAM), which was prepared by the City's procurement consultant and was approved by the City Council when the EDCO agreement was approved initially in November 2009, and again when the contract extension was approved in June 2015. The RAM outlines the acceptable cost variables and national approved indices, and provides detailed guidelines on how future rate adjustments are calculated. This helps calculation accuracy. Similar methodologies are used by various cities in their recent solid waste franchise agreements. Additionally, do not exceed caps have been placed on the Service and the Disposal components to protect the City's rate payers from sudden rate spikes.

1) **Service/Collection Cost Component:** EDCO's service/collection cost increases are based on calendar year 2017 and reflect the percentage of increases/decreases in several national indices from the U.S. Department of Labor, Bureau of Labor Statistics. These selected indices were specifically chosen because they are tailored to solid waste collection operations. A weighted average of the various service/collection changes is calculated and used in the RAM formula with the annual change in Service Component costs capped at 4%. The national indices include:

(US Dept. of Labor) Index /Commodity	% Change in 2017
Consumer Price Index (CPI)	+1.8%
Producer Price Index (PPI) for Fuel- Natural Gas	+23.3%
PPI for heavy-Duty Truck Manufacturing	+1.9%
Hourly Labor Costs *	+2.8%
Total Weighted Average, Service/Collection Component	+3.1% (See Exhibit 5A, Row 13G)

* Based on previously contract approved labor rates

2) **Disposal Cost Component:** EDCO's disposal cost increases are based on the percentage changes at the county owned disposal facilities between 7/1/17 and 7/1/18. To increase accuracy, a weighted average of the various disposal facilities' rate changes is calculated and used in the RAM formula with the annual change in Disposal Component costs capped at 8%.

A straight average is not used because different facilities are used for disposal of trash and processing green waste. To derive the weighted average, the percentages of each material's (trash and green waste) destination and the quantity taken to each facility are considered. EDCO has a long-term importation agreement for the next decade with the County of Orange, which helps stabilize landfill disposal rates.

The total weighted average disposal cost component changed from \$33.07 to \$35.38 per ton during that period. In 2016, the Disposal Component exceeded 8%, therefore it was capped and a carryover was brought forward to 2017. This change is reflected in the following table:

Disposal Facility	Gate Rate \$ Change/ton	Gate Rate % Change/ton
County of Orange* - Solid Waste	\$27.53/ton to \$28.58/ton	3.8%
Southeast Resource Recovery Facility (SERRF) - Long Beach waste to energy facility	\$75.00/ton to \$75.00/ton	0%
Puente Hills Transfer Station - Green Waste	\$43.50/ton to \$45.50/ton	4.6%
**Carryover- Weighted average increase in Non-Orange County disposal rate from \$39.31/ton to \$48.34/ton, capped at 8% per City agreement (\$42.45/ton). Thus \$5.89/ton carried over to 2019	\$39.31/ton to \$42.45/ton	8.00%
Total Disposal Cost Component	\$33.07 to \$35.38/ton (Weighted Average)	7.0% (Exhibit 5A, Row 14G)

** EDCO has renewed its importation agreement for the next decade with the County of Orange, which helps stabilize landfill disposal rates. Additionally, EDCO's Recycling & Transfer Facility in Signal Hill accepts and transfers all of the trash collected from the City by EDCO to alternative disposal sites.*

*** In 2017, the weighted average Non-Orange County disposal rate of \$46.89/ton was also capped at +8% (\$39.31/ton), with \$7.58/ton carried over to 2018.*

Approximately 67% of EDCO's overall costs are related to service/collection costs, which increased 3.1%. Approximately 33% of EDCO's overall costs are related to disposal costs, which increased 7.0% in 2017. Therefore, EDCO's total weighted residential rate adjustment, reflecting both disposal and service cost components is 4.12%. (See attached Table labeled Exhibit 5A, Row 24 G).

Examples of EDCO's proposed maximum rates for FY 18-19 are listed below:

Service Level Single-family (one trash cart)	Current Maximum Monthly Rates FY 17-18	Proposed Increase in Maximum Monthly Rates FY 18-19	Proposed Maximum Monthly Rates FY 18-19	Proposed Maximum Monthly Rates for Seniors (10% discount) FY 18-19
Curbside 35-gallon	\$20.36	\$0.84	\$21.20	\$19.08
Curbside 64-gallon	\$26.21	\$1.08	\$27.29	\$24.56
Curbside 96-gallon	\$32.03	\$1.32	\$33.35	\$30.02
Backyard Manual Unlimited (former UWS customers)	\$63.61	\$2.62	\$66.23	\$59.61

Multi-family accounts would have a similar proposed increase Maximum of 4.12%. For example, the Maximum on the rate for a 3-yard bin picked up twice a week would increase by \$6.68/mo. from \$162.24/mo. to \$168.92/mo.

Attachment D FY18-19

Collector and Environmental Fees, Recycling Rebate/Credit

The City receives a Collector Fee and an Environmental Fee. Per EDCO's agreement, the fee amounts are fixed annual amounts, and could automatically get adjusted when the rates are adjusted. These fees are incorporated in the monthly rates, and are not separate line-items.

Collector Fee:

EDCO's current Collector Fee is the fixed annual amount of \$568,500. If the rate adjustment request is approved, the Collector Fee increases by 4.12% (or ~\$23,400) for a FY18-19 total of \$ \$592,000.

The Collector Fee is deposited into two funds: 1) General Fund, and 2) Waste Reduction Fund. The residential and arterial streets' wear and tear due to truck traffic is addressed through the General Fund programmed projects such as the annual residential overlay, slurry seal, arterial rehabilitation, and ongoing pothole, curb and gutter repairs. The administration of EDCO's contract, assisting with customer service questions and concerns, implementing ongoing Citywide recycling and waste reduction activities, organizing special events, and complying with State mandates and preparing annual reports are paid through the restricted Waste Reduction Fund. (See below)

Collector Fee Fund Allocation	Current Percentage FY17-18	Proposed * Percentage FY18-19	Proposed Amount (rounded) FY18-19
General Fund- Various	75%	TBD	\$425,250
Waste Reduction Fund	25%	TBD	\$141,750
Total (\$ rounded)	100%	100%	\$592,000

* Finance Department is reviewing if the current percentage allocation of the Collector Fee between the General Fund and Waste Reduction Fund for FY18-19 will need to change or not.

Environmental Fee:

EDCO's current Environmental Fee is the fixed annual amount of ~\$143,600, which is deposited 100% into the Storm Water Quality Program of the General Fund and it supports sweeping of residential and arterial streets, servicing trashcans at bus shelters, and assisting in NPDES/storm water quality program implementation and compliance. If approved, the FY18-19 Fee would also increase by 4.12% (or ~\$5,900) for a total of ~\$149,500. Staff recommends maintaining the current percentage allocation for FY18-19.

Recycling Rebate/Credit:

Until 2013, the City received an annual recycling rebate of \$960,000 from EDCO. The funds were deposited into the City's Recycling Fund for use on median improvement projects and/or median maintenance, and Beautification Grants. However, since 2013 at the direction of City Council those amounts are refunded back to customers in their billing statements as a "Recycling Credit or Rebate". EDCO would continue to provide their existing customers with the City Council approved recycling rebate/credit of \$1.58/month/customer/unit. The customers in the former UWS area would continue also to receive their Council approved recycling rebate/credit of \$1.31/month/customer/unit. The minor difference (\$0.27/mo.) is due to the difference in the ratio of the number of former UWS customers to its contractual annual recycling revenue due to the City, as compared to EDCO's.

For FY18-19 there will be no change in the amount of the recycling credit, since there has been no change in the California Redemption Value of containers.